
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777
FAX (317) 232-8779

School Property Tax Control Board Meeting Minutes June 21, 2007

Call to Order: The monthly meeting of the School Property Tax Control Board was held on Thursday, June 21, 2007. The meeting was held in the Indiana Government Center South, Conference Center Room 2, 302 West Washington Street, Indianapolis, IN 46204. Those in attendance were Roger Umbaugh, Kurt Barrow, Richard Besinger, Debbie Hineline, Denise Seger, Joe Bronnert, David Bowen, Chuck Nemeth, Morris Mills and Kaitlin Boldt, Administrative Officer.

Minutes and Discussion: Mr. Bronnert introduced the May 17, 2007 Minutes. Mr. Besinger motioned to recommend approval of the May 17th Minutes. Mr. Umbaugh seconded and the motion carried 9-0. Melissa Ambre, Commissioner of the Department of Local Government Finance, provided an update of new legislation passed during the 2007 Legislative Session.

Westfield Washington Schools, Hamilton County: Officials request approval of a lease rental agreement with maximum annual payments of \$2,725,000 for a term of 24 years. Total project costs are \$30,750,000. The tax rate impact is \$0.0800 with a new facility rate impact of \$0.0175 expected. The common construction wage scale was approved with the Governor's Representative abstaining from the vote. There was no application for a petition and remonstrance process. The total project cost per square foot to construct the new Monon Trail Elementary School is 11.76% above the DLGF baseline. The addition to Carey Ridge Elementary School is 7.07% below the DLGF total project cost per square foot baseline.

Present for the hearing was Mark Keen, Superintendent; Rick Ruppert, CSO Architects; Phil Passen and Skip Keltner, Neyer-Najem; Randy Ruhl, City Securities; Nick Verhoff, Westfield Washington Schools; Frank Hindes, Cripe; Jane Herndon, Ice Miller and Jack Hittle, Church Church Hittle & Antram.

Project: This project consists of the construction of the new Monon Trail Elementary School which will serve kindergarten through fourth grades, an addition to Carey Ridge Elementary School, and HVAC renovations at Carey Ridge and Shamrock Springs Elementary Schools. The layout at Monon Trails Elementary School represents the fifth time that the basic plan and details have been used in the Westfield Washington school district. Each time this model school building is constructed, subtle improvements have been made to increase efficiency, reduce coordination issues and address academic program changes. The generous suburban site will

feature multiple play areas and a nature biome serving as an outdoor classroom. Grade level students are accommodated on a mixed surface playground featuring paved courts, mulched apparatus zones and grassy open play fields. Additional athletic and academic amenities are planned for the shared project site including the new Westfield Central Library building. The overall plan of the school was developed to provide independently operating academic and activity spaces. Community accessible spaces include the gymnasium, multipurpose group space and cafeteria with a full service kitchen. The multipurpose space has a performance platform and the seating area can be opened to the adjacent cafeteria for larger convocations. With a projected maximum capacity of 900 students, its classrooms are “right sized” for the variety academic programs offered. Each classroom is connected, via technology, to the immediate holdings of the school’s library and also the vast resources of the internet. Music and art programs have their own spaces with storage and layouts to teach small groups or combined classes. The media center serves not simply the traditional library role, but acts as an incorporated learning environment as well. Attached directly to the main space are a broadcast studio, creativity center, professional resource library and two computer labs.

The Carey Ridge Elementary School project consists of a new kindergarten wing consisting of four classrooms, storage, restrooms, activity spaces, playground, computer area and supporting circulation spaces to support the School Corporation’s full day kindergarten program. Carey Ridge project will also include an addition of a new multi-purpose room including a kitchenette, storage, restrooms and circulation areas. Additionally, the building will receive a complete replacement of the HVAC system. The project will replace the existing air cooled chiller with a new indoor water cooled chiller with an outside condenser along with a new addition to house the new equipment.

The Shamrock Springs Elementary project consists of a HVAC renovation which at a minimum will replace the existing heat pumps, cooling tower, boilers and failing hydraulic piping system. Additional upgrades could include converting to a ground-source loop or changing from a heat pump system to a central chiller and boiler plant to be consistent with other facilities.

Comments: Mark Keen, Superintendent, said they opened their fifth elementary school in August of 2006. They are proposing to open their sixth school in August 2009. This school will use the same design as four previous schools with the addition of full day kindergarten rooms. State enrollment projections are for an additional 400 students in K-4 by that opening. That number may be low because of the number of approved developments. Besides the projects listed in Tab 8, there are four additional developments approved, totaling 1,615 acres of housing. There are other developments under discussion at this time, but none others have yet been taken forward for approval. Fortunately, commercial development is included in most of the proposals, and with the average new home price averaging \$370,000 the debt service rate should continue to decline. Tab 9 shows past, present, and future financial information.

They also need to expand the high school. This expansion is planned to open in 2011 and will be exactly the same design as the 2004 expansion. Enrollment is currently slightly under 1,400 and is expected to be at 1,750 by 2011, with a school capacity of 1,600. Next year, six teachers will not have a classroom, but will move into a classroom where the teacher is on a preparation

period. They hope to be able to utilize the present library for additional classroom space to keep the 2011 date.

Finally, they believe they will need to open their seventh elementary school in 2011. Again, they will use the same design as the previous ones for this school. They originally thought 2010, but the housing slow down has allowed them to push this date back. If that slow down continues, this date may be pushed back again, but indicators are that housing is picking up in the township.

Mr. Bowen asked if Shamrock Springs used the same model as will be used for this new school. The Superintendent responded no, that is the only building that does not look like the rest. Mr. Bowen said the information sheet shows Monon Hills has a capacity of 700 and will increase to 900 and asked if those numbers are correct. The Superintendent said if they packed each room with thirty students they could meet those projections. Everything was designed with wings that could be expanded if necessary. Mr. Bowen asked if the core of the building is designed for future expansion. The Superintendent responded yes. Mr. Bowen said they exceed the square foot and cost per square foot thresholds, but the higher numbers seem reasonable because they include core costs. Mr. Bowen asked if they made any attempts to lower the cost of the projects to below the DLGF baselines. The Superintendent said they have high site development costs. Also, the public library will purchase ten acres of land and they will get their building which is 24,000 additional square feet of instructional space they will renovate for high school use. Mr. Bowen asked what the TV/radio studio and activity lab are for. The Superintendent said the activity lab is a large closet area used for editing and morning announcements.

Dr. Seger asked what the creativity center is. The Superintendent said it is all part of the old media center area. It is the art room.

Mr. Besinger said of their total 2007-2008 budget 38.6% is the general fund budget and 38% is debt service and capital projects plus debt service is 53% of the total budget. They are spending more on maintenance and buildings than they are to operate buildings and educate students. The Superintendent said when students enter the district they have to build new buildings to accommodate them. They do what they can, but eighty-three percent of the general fund goes to pay teachers' salaries. Mr. Besinger said technology paid out of capital projects is extending the general fund. It is a way to get more money from taxpayers and somewhere the spending needs to end. The taxpayers need to be protected in some way.

Mr. Umbaugh said he sees nothing wrong with Mr. Ruhl's financing plan.

Mr. Mills asked if the 2007 DLGF cost thresholds have been updated. Ms. Boldt responded yes, the thresholds are current 2007 figures.

Mr. Nemeth asked what is included in the trustee fees on page eleven of the hearing information sheet. Mr. Ruhl said that is for costs of establishing the trust indentures. A small amount is set aside to close the bond issue and for fees during construction. Mr. Nemeth asked what they mean by all building corporation officers are members of the school corporation. They responded they are patrons that live in the district.

Mr. Bronnert asked them to explain the HVAC system they will be using. The Superintendent said they have heat pumps that are breaking down. They are looking at geothermal and other options, but no decisions have been made yet. Mr. Bronnert asked what they plan to do if estimates come in under the bond issue. The Superintendent said for the last two issues they have lowered the annual payments. They will not issue a bond in excess of what they need.

Motion: Mr. Nemeth made a motion to approve a lease rental agreement with maximum annual payments of \$2,725,000 for 24 years. Mr. Umbaugh seconded the motion, which favorably carried 9-0.

Greenfield-Central Community School Corporation, Hancock County: Officials request approval of a lease rental agreement with maximum annual payments of \$5,986,000 for a term of 26 years. Total project costs are \$75,000,000. The tax rate impact is \$0.4081 with a new facility rate impact of \$0.0632 expected. The common construction wage scale was approved with the Governor's Representative absent from the vote. An application for a petition and remonstrance process was filed. The last filing date for petitions for the process was March 19, 2007 and the vote was 1,218 yea versus 0 nay. The addition to Greenfield-Central High School is 19.34% below the DLGF total project cost per square foot baseline. The addition to Weston Elementary School is 141.02% above the DLGF total project cost per square foot baseline. The total project cost per square foot to construct the new Middle School is 11.2% above the DLGF baseline.

Present for the hearing was Linda Gellert, Superintendent; Ann Vail, Assistant Superintendent; Frank Hinders and Bruce Breeden, Cripe A&E; Dan Strahl, Attorney; Ryan Usher and Colette Irwin-Knott, Umbaugh; Jane Herndon, Ice Miller; Kent Fisk, School Board President; Christina Hilton, HR Director; Harold Olin and James Beusr, Principals; Matt Mayol, OMS Architecture/Engineering; Brad Skillman, Skillman Corp.; Fred Dunlevy, Committee for Better School Planning; Kathy Locke, Parent; Retta Livengood, School Board Member; Marein Truesdell, Daniel Riley, Dan Leary, Stephen Burt, Representative Bob Chevry, M. Heather Harbert and Jerry Rolfson, Attendees.

Project: This project consists of a new Greenfield Middle School, expansion of cafeteria space at Weston Elementary, and renovation and expansion at Greenfield High School. The new middle school will provide for seventh and eighth grade students in a team teaching curriculum. Student capacity is to be 850, with the capability for expansion. The School Board and Administration discussed several prototype building plans, and selected the new South Madison C.S.C. Middle School as a basis/prototype for designing their new facility. Two story classroom "wings" have been used to minimize the building footprint, reducing student travel distances from the team classrooms to the specials. The decision was made to include the Science rooms in the wings with the teams as opposed to creating a separate science department. Teacher workrooms, conference areas, storage, restrooms and other teaming functions are included within the classrooms wings. An important element of the design is the ability to allow students to enter the buildings from busses and immediately access the cafeteria, where they will be free to interact in a well secured and monitored fashion. All appropriate classrooms will have good access to daylight. The gymnasium will be capable of seating the entire 850 student body in bleachers, the combined cafeteria/LGF room will accommodate a grade lever, and the LGF will

accommodate a team by itself. Special classrooms, including Music, F.A.C.S., and Industrial Technology, are located off Main Street immediately across from and between the team wings. This facility has classroom wings which are easily expandable.

The scope of the project at Weston Elementary is limited to the expansion of cafeteria space for student dining and the construction of a new food preparation kitchen and serving line. All meals are currently prepared off-site and bought to a small holding and serving area. This project will allow for on-site preparation and enhanced dining space for less crowded seating and reduced total lunch period duration. Building additions will be provided for kitchen and dining. Building infrastructure will be modified to support the additions and renovations.

The existing Greenfield High School will be renovated and expanded to accommodate 1,700 students in instructional areas and 1,800 students in core areas. A two story classroom addition is proposed to be in the east side of the building and will include new science labs, foreign language classrooms, and social studies classrooms. The new science labs will be designed with a combined lecture room and lab arrangement. Currently, students must travel to a lab as the science lecture rooms are separated from the lab. The existing cafeteria and serving areas will be expanded with an addition. The existing pool will be replaced with a new pool and locker rooms. Spectator seating will be at the perimeter of the pool deck area. Renovations of existing classrooms will include converting existing science labs to math classrooms. The existing pool will be converted to band and choir rooms. The existing band and choir rooms will be converted to theater support spaces including set design, prop storage, costume storage, and dressing rooms.

Comments: Linda Gellert, Superintendent of Greenfield-Central Community School Corporation, said they began the process of determining the growing needs of their school district in early 2004 when they began their efforts to determine the feasibility of a school facility project. After completion of the feasibility study in January 2005, the community began discussion in meetings held throughout the fall of 2005. The plan that developed from that effort, however, was defeated by remonstrance in March 2006 by a margin of 611 votes. A variety of stakeholder participants began meeting in June 2006 to build consensus on a project that would address the tax concerns of the remonstrance group, and adequately meet the needs of the growing school district. Although a small group of community members filed signatures to initiate a second remonstrance this past spring, no blue petitions were filed thanks to an agreement reached by all parties. That agreement included the inclusion of remonstrance leaders on the Building Corporation, and participation during the design phase of the project.

After the initial facility project was defeated in the first remonstrance, the School Board formed a Roundtable Committee consisting of School Board members, remonstrance leaders and united partners. The recommendation was a new single seventh and eighth grade middle school to facilitate better equity and opportunity in educational programming and social connectedness across the district. Further, the administrative team recommended a four-tier district structure: K-3, 4-6, 7-8, 9-12. By pulling grades four and five out of the current K-5 elementary schools, additional capacity was gained at each school as well. The Roundtable Committee was receptive to these ideas. Consensus for the project included: bonds for the facility project shall not exceed \$75 million in 2007; a new 7/8 facility for 850 students; additions/remodel of high school for

1,700 students; addition of kitchen and eating space at Weston Elementary, and a four-tier district consisting of four K-3 elementary schools, two 4-6 middle schools, one 7/8 middle school, and one 9-12 high school.

This project includes the proposed new 7/8 middle school of approximately 161,500 square feet that will combine the current two middle schools into a single facility for 850 students. The new middle school will support the educational programming currently offered as well as include classrooms designed specifically to meet the needs of special education students, including an instructional space designed for those with severe and profound disabilities.

The project also includes a renovation/addition to the Greenfield-Central High School. The current high school experienced significant renovation as part of a project developed in 1993. That renovation created smaller classrooms sized of approximately 700 square feet, which have proved to be challenging for current classrooms of more than thirty students. Also of considerable concern to parents and educators alike has been the paltry number of science labs in the high school. Currently Greenfield-Central Schools has only three science labs for its more than 1,300 students, of which nearly 85% are enrolled each year. The proposed High School project will add eleven much needed new science labs for instructional use. The project also includes a two-story wing with 20 new classrooms excluding these eleven science labs.

The lack of adequate locker space has become an increasingly critical issue. They currently do not have enough lockers for every student, forcing many to share assigned spaces. Further aggravating the situation, lockers were placed in existing hallways during an earlier renovation, which served to narrow the passageways and contribute to intense congestion in hallways during bell passing. The High School project will add lockers in the new addition to relieve this situation.

Also included in the High School project is a remodel of the existing structure to include renovated music classrooms, family consumer science spaces, technology classrooms, and a larger cafeteria space. The project will also provide an opportunity to replace the 38 year-old swimming pool. Annually, more than 600 high school students use the pool as part of their physical education classes. Many community members use the pool regularly as well, including the Greenfield Police Department, the Greenfield Fire Department and the Hancock County Sheriff's Department for various training exercises including underwater rescue.

Finally, the project will also include the addition of a food preparation cafeteria at Weston Elementary. Of the seven schools within the district, Weston Elementary is the only facility that does not have its own food preparation kitchen, requiring that food be transported from the high school cafeteria to serve the approximate 522 students currently enrolled. The Weston project will add approximately 3,700 square feet to the existing facility and will require minimal remodeling to existing cafeteria-related spaces.

The need for this project is in response to growing enrollment and limited classroom space. According to 2000 Census Data, there were approximately 8,462 households, of which 3,083 were families with children. In 2003, 241 building permits were issued, up from 212 in 2000 for 12% growth. They believe they can anticipate continued growth given this potential for

additional housing in the Greenfield area. Currently, IDOE enrollment projections indicate an increase of 647 children district wide by 2010.

School Board President Kent Fisk submitted evidence of community support to the board.

Mr. Mills said Westfield had a teacher to student ratio of 19:1 and Greenfield's is 14:1. Administration was 339:1 at Westfield and 335:1 at Greenfield. Mr. Mills said he would question those costs. The Superintendent said they are the LEA for five school corporations in their co-op. Those numbers include the special ed teachers in the other five schools in the co-op. The student to teacher ratio would be closer to 18:1 without the special education teachers. Each school corporation has a special ed administrator as well that is counted with Greenfield. Mr. Mills asked how many they have altogether. The Superintendent said they have 45 students from out of district at the high school.

Mr. Bowen asked what the capacity of the 7/8 building is because one form shows a capacity of 781 and the narrative shows a capacity of 850. The Superintendent said the capacity will be 850. Based on existing schools they estimated the functional space capacity. Mr. Bowen asked why they have site general conditions of \$1.4 million. They said it is due to the city and county requirements for easements on the site. They will have to relocate gas and water lines. There are 140 acres that will require drainage.

Mr. Bronnert questioned why the information sheets show a decrease in capacity at Weston Elementary. They said they are changing the grade level configuration. By making it into a K-3 building each classroom will hold a smaller number of students. Mr. Bronnert asked what type of HVAC system they will be using. They said they are looking at a variable air volume system with a heat recovery component combined with that.

Mr. Besinger said their total debt is \$126 million plus interest, and in looking at their general fund it is 38% of the total budget and debt service plus CPF are 51% of the total budget. Those are high prices and school corporations need to be more sympathetic to taxpayers.

Mr. Barrow asked them to further discuss the agreement that was made with remonstrators to stop the remonstrance process. The Superintendent said before the 1028 they were looking at a new high school, but that changed because remonstrators were concerned with the costs. They involved several members from the remonstrators for the round table process. For six to seven months they discussed options. Signatures were filed, but a resolution was filed at the eleventh hour to limit the bonding to \$75 million and include those members in the design phase. The building corp. includes two members from the remonstrators. Mr. Barrow stated the DLGF received several letters from the community in opposition to this project.

Mr. Umbaugh said Westfield had \$5 million in capitalized interest, but this project only has \$25,000. Ms. Irwin Knott said that because of the renovation nature of this project they were able to be as efficient as possible with the bond structure. The hearing information sheet shows there is an eight million dollar bond issue at the end of this year and a \$67 million dollar issue at the end of 2008. They are splitting the issue for three main reasons. First, they anticipate an early site package that will need funding. Also, bond issues fewer than ten million dollars

typically receive lower interest rates. Lastly, they will be able to make lease rental payments in 2008. Mr. Umbaugh said the net asset value assumptions barely show any increased value which means the estimated tax rate impact will most likely be lower than shown.

Mr. Nemeth asked if last year they proposed to pay for the new roof out of CPF, but have now included it in the bond issue. Mr. Zurwell, CFO, said they are looking forward with their CPF plan. They have aging buildings, but they have identified greater needs. Ms. Herndon said the cost of replacing the roof is not included in this project.

Mr. Besinger asked what percent of CPF they use for repair, and what percent is used for salaries, utilities, and related expenses. Mr. Zurwell said they paid fixed costs out of CPF. Mr. Besinger asked if they are using less than 50% for basic maintenance. Maybe they should make some cuts because maintaining buildings should be their top priority.

Mr. Bronnert asked why they decided to build a new pool versus renovating the existing pool. The Superintendent said the existing pool is 38 years old. They can only extend the life for a few more years. The space of the existing pool will be captured for performing arts.

Mr. Besinger asked how many lanes the old pool had and how many lanes the new pool will have. The old pool was six lanes and the new pool will have eight.

Fred Dunlevy, President of the Committee for Better School Planning, said this project has in fact faced widespread opposition. The \$99.9 bond proposed last year to build a new high school was defeated. Another remonstrance petition was filed against the project presented today, but was later called off after the deadline because the school signed a binding resolution. In the resolution the school board promised to do everything possible to reduce the size of the bond. Over the course of many hours of negotiation, the school board stated over and over that capital project funds would be used to the maximum extent possible. On page nine of the hearing information sheet, under the heading CPF, there are zero dollars allocated to the building project. Under the previous defeated remonstrance, the school board proposed last year to pay for a needed new roof on the high school, at a cost of \$3.3 million from CPF. Now they propose that the bond issue absorb that cost. Last year's proposal agreed that the swimming pool only need a renovation costing \$500,000. Now, just one year later the school wants approval of a new pool costing approximately \$7.8 million. This is from a school board that signed a unanimous resolution to do everything possible to significantly reduce the size of the bond. The cost per square foot according to the individual building data summary for the proposed new 7/8 building is \$172. The 2007 DLGF guideline is \$157 per square foot. Using that data, the school board cost estimate is approximately \$10.3 million over DLGF guidelines. The school board agreed in paragraph five of the resolution "for those parts of the estimated construction costs put out for bid, the amount of the bond issue shall be reduced to the extent that the bids are less than the estimate." The school's submitted hearing information sheet shows a capacity of 1369 at the high school, so to get to the agreed upon capacity of 1700 space for only 331 additional students is needed, where space for 600 additional students has been designed. The remonstrators would like this project approved, but only when the above issues have been resolved. They suggest the project be cut to \$64.1 million, which includes cuts for the 7/8 building, pool renovation, and roof being paid out of CPF.

Mr. Barrow asked if the roof is included in the project. The Superintendent responded no. Mr. Dunlevy said page nine of the hearing information sheet does not indicate any portion of this project will be paid with CPF. Mr. Barrow asked if the high school needs a new roof. The Superintendent said it is not needed immediately. They will pay for it out of CPF as needed. Mr. Barrow said the \$3.5 million dollar roof project seems to have disappeared. The Superintendent said it was cut as part of the roundtable process. The project is in the horizon, but it is not imminent. Mr. Dunlevy said a \$3.3 million new roof is included in the architect drawings he provided. Mr. Barrow asked why they decided to build a new \$7.8 million pool instead of renovating the existing pool. The Superintendent said they have a 38 year old pool that leaks. They would only be able to extend the life for a short period of time. If they use the old pool for a pool, they would have to build performing arts space. A much larger pool was presented, but they have gone with the smallest pool option.

Mr. Mills asked what the net cost is of adding the performing arts space. There was no savings, but there were benefits with traffic flow. The Superintendent said the pool is crumbling so they need to do something or they will lose that space.

Mr. Besinger asked if they have maintained the pool. They said they have done some small fixes recently out of CPF. The pump package is beyond its useful life. Mr. Besinger asked what role athletics had to do with building this pool. They said they discussed six versus eight lane pools. The decision to build an eight lane pool was driven by use because with an eight lane pool multiple groups can use the pool at once.

Mr. Dunlevy said there was not a full consensus at the last roundtable meeting.

The high school principal said the reason they want an eight lane pool is there are 30,000 people in the district. Multiple groups use the pool, and eight lanes are able to be divided so several groups can use the pool at once. Mr. Besinger said the school corporation is not responsible to provide recreation to the community, but rather should be providing an education.

Mr. Barrow asked if they have a competition swim team. They said yes, and the middle school also has a competition team that uses the pool. Mr. Barrow asked if the \$7.8 million includes the cost of converting the old pool to performing arts space. An architect said the \$7.8 million figure also picks up a significant locker room addition. The Principal said they currently have eight locker rooms that have to be supervised by three teachers, so this addition will provide adequate supervision. Mr. Barrow asked if the bond amount will be reduced if the bids come in lower. They responded yes, that was the agreement.

Mr. Bronnert said Ms. Richardson wrote saying interest was not disclosed at the 1028 hearing. Ms. Colette Irwin-Knott said the interest cost is included in the minutes and the resolution from the 1028 hearing, so certainly the public was made aware of those costs. Ms. Richardson said she was told at the 1028 hearing interest on the project would be \$64 million with a 26 year payback, which in her opinion is a good percentage of the project. She wrote a letter asking that CPF monies be used to pay a portion of this project.

Mr. Nemeth asked Ms. Richardson, a former remonstrator, how she feels about the project now. Ms. Richardson said she is committed to the project even though it is not her favorite configuration, but would like to see CPF monies incorporated.

Beverly Gard, State Senator, said she represents this community in the State Senate. She was a part of the first remonstrance and a part of the roundtable. There was a community consensus built around this project. They have tried to make it as affordable as possible while still meeting the needs of the schools. If there had been significant community opposition to this project another group of people would have gotten signatures, but that did not happen. The community needs to move forward. Her children used the pool 25 years ago so she knows of problems that have been going on for over 25 years. The pool will be a community asset, but it will not be a natatorium, it will be a basic pool. She is proud to support this project.

Kathy Locke, a parent, said she has two children in the school district. She is also the president of the building corporation. Her concern is they will not see any relief in spacing issues until 2009 at the earliest. It is her understanding they will have to begin using portables next year. As a parent she would like to see this project move forward so administrators can refocus their energy on education.

Mr. Besinger asked the remonstrators if they would have gone through with the remonstrance if they knew at the time the agreement they signed would not be lived up to in their opinion. Mr. Dunlevy said yes, they would have gone through with the remonstrance because there has been no reduction in the \$75 million cost at this time. The school said they maintain they lived up to the agreement.

State Representative Bob Cherry said they need to move on with this project and work on putting their community back together so he would appreciate the Board's support.

Motion: Mr. Umbaugh made a motion to approve a lease rental agreement with maximum annual payments of \$5,986,000 for 26 years. Ms. Hineline seconded the motion, which favorably carried 7-2. Mr. Barrow and Mr. Besinger cast the dissenting votes.

Greater Clark County Schools, Clark County: Officials request approval of a lease rental agreement with maximum annual payments of \$8,374,000 for a term of 22 years. Total project costs are \$100,000,000. The tax rate impact is \$0.3327 with a new facility rate impact of \$0.0587 expected. The common construction wage scale was approved with the Governor's Representative absent from the vote. The last filing date for petitions for the process was March 20, 2007 and the vote was 4,345 yea versus 6 nay. The addition to Jeffersonville High School is 41.45% below the DLGF total project cost per square foot baseline. The addition to New Washington Middle/High School is 23.6% below the DLGF total project cost per square foot baseline. The total project cost per square foot to construct the new Charlestown High School is 18.56% above the DLGF baseline.

Present for the hearing was Thomas Rohr, Superintendent; Michael Hodgsen, CFO; Hal Kovert and Larry Timperman, Architects; Don Neal, Educational Consultant; David Wimmer, Chip

Sutherland and Chip Hampel, Hilliard Lyons; Dave Blanton, John Fenel and Jim Thompson, Gibraltar Design; Steve Hobgood, Director of Facilities; Sandra W. Lewis, General Counsel; Thomas Peterson, Ice Miller.

Project: The primary focus for this renovation project will be the three high schools in the district.

Charlestown High School was originally built in 1951 and has had several additions over the years. The building simply cannot meet the educational needs of the 21st century. Most of the mechanical systems are worn out; the classroom space is inadequate; there is concern about mold and other environmental issues in the building; safety and security is a concern; the outside athletic facilities are inadequate; and the location does not allow for growth. The Board of School Trustees has determined that the most cost effective solution is to build a new Charlestown High School on another site.

Jeffersonville High School was built in 1972 and has had very little renovation since that time. With over 2,000 students each year, this facility receives a great deal of “wear and tear.” In addition, many of the mechanical and electrical systems are worn out; school security systems are inadequate; it is not energy efficient; an exterior wall is pulling away from the structure; and the educational space does not meet current requirements. To prepare this building for the next twenty years, a major renovation is being recommended.

New Washington Middle/Senior High School was built in 1986. Even though it is the newest high school facility, much work is needed to bring it up to the same offerings and standards as the other high school buildings. A renovation project is being recommended to separate the middle and high school students, provide adequate outside athletic facilities, improve school security issues, and update the mechanical and electrical systems.

Comments: Dr. Thomas Rohr, Superintendent, said this issue consists mainly of a high school building project. Greater Clark County Schools is a growing school corporation with approximately 10,700 students. The school district is located in an area of the state with great potential for economic development due to the proximity to Louisville. 1,430 new homes have been approved in the area in the past three years. The school district has twelve elementary schools, three middle schools, two high schools, one 6-12 school and one alternative school. The average age of these facilities is 35 years. The planning for this project began four years ago. A demographic study was completed and from that came a master plan for the school district. In June 2005 a plan was presented to the school board which outlined the cost of renovating all twenty facilities at a cost of \$400 million. The school board decided they should place the high school facilities at the top of the priority list. From this architects completed a study and recommended renovating Jeffersonville and New Washington High Schools and constructing a new Charlestown High School. The total bond issue cost as presented at the 1028 hearing was \$165 million. No opposition was expressed by the community. A petition was filed after the 1028 hearing, citing the cost was too high. At no point did anyone question the need of the project; they were simply questioning the cost. It was agreed to limit the size of the bond issue to \$100 million. As a result of the compromise the remonstrators joined the school corporation to support the project and secure signatures for the project. The only issue not yet resolved is the

purchase of land for Charlestown High School. The land has been identified and appraised and an agreement is expected to be signed within a week. This lease issue is designed to coincide with the expiration of the lease on Utica Elementary School, so the tax impact will only be \$0.17 versus the \$0.33 impact presented at the 1028 hearing. They have structured the project to avoid paying capitalized interest. Because two components of the project are renovations they will be able to start paying on the lease during the first year. The community has expressed the willingness to bring the schools up to educational standards. No additional square footage is included that does not directly impact educational programming.

Mr. Mills asked if they have two high schools currently. The Superintendent said they have three, two high schools and a 6-12 building.

Mr. Bronnert asked them to explain why the cost of the new high school is 20% above the baseline. Mr. Kovert said the largest component of the cost is due to site development. The site they anticipate purchasing is undeveloped farmland. There are no utilities or direct street access. They will need to install 1,600 feet of sewer lines. About twenty-five dollars per square foot of the project can be attributed to site development costs. They have added inflation to the construction cost because they do not expect to take bids until the spring of 2008. This is a solid academic facility with no open spaces.

Mr. Bowen asked what the \$120,000 design distribution expense is for. They said it is for the printing of plans and specifications. Mr. Bowen asked about the \$800,000 clerk of the works expense for a project lasting less than three years. The Superintendent said they will have a clerk of the works at each of the three facilities for the three year period, but will not use construction management.

Mr. Nemeth asked who they will use for the clerk of the works. The Superintendent said they used two individuals at the Riverside project, so they anticipate using those same two individuals plus hiring one additional person.

Mr. Bowen asked if they will also be utilizing extended services. They said there will be some extended services, but they do not currently have any agreements in place. It will depend if they need any extended services. Mr. Bowen said it seems like there is no logic behind some of these expenses it looks like they have just been thrown in.

Mr. Besinger asked if they paid the clerk of the works \$50,000 per year at the Riverside project will they consider paying the same amount for this project. Mr. Besinger said that comes out to about \$125,000 per year, so what other costs are included. They said it is only salary. Mr. Besinger said even if they paid them \$75,000 each that is not going to add up to the amount on the hearing information sheet.

Mr. Umbaugh asked if the bids come in under \$100 million will they reduce the bond issue. They responded yes. Mr. Umbaugh asked if they have a list of other projects to be done if there is extra money from this issue. The Superintendent said the Charlestown project does not have enough money to complete outdoor athletic facilities. The board will have to make the decision to work those other projects in or not. Mr. Umbaugh asked if interest rates drop will they

increase the issue size. The Superintendent said the agreement is that the maximum amount will be \$100 million.

Mr. Nemeth asked if they will be building roads. Mr. Kovert said the land is not in the city limits. The road costs are part of the development costs. The city does not have the money to take on the construction. The road will only be from the public street to the school property. Mr. Nemeth asked what the cost of building the road is. Mr. Kovert said about \$250,000.

Mr. Barrow asked about the cost of utilities. Mr. Kovert submitted a cost breakdown. Mr. Barrow asked if there is any anticipation of being able to recapture these costs in the future as the land develops. Mr. Kovert said the school will be paying the full extension cost so anyone who taps on will pay some of the costs back to the school.

Mr. Mills asked who owns the water company. They said the Town of Charlestown.

Mr. Barrow asked how many acres the site is. They said approximately 96 acres.

Mr. Besinger asked if the public is aware of the possible extra costs for developing athletic fields. The Superintendent said they have been very clear that they will not be building pools and such. The facility is within a mile of the current high school so they will be able to share current facilities.

Mr. Bronnert asked what they are going to do with the old high school building. The Superintendent said they do not have a specific plan for the building at this time. It was built in 1951 and has serious mold problems. They anticipate they will eventually move the middle school to that site, or it could be used as an elementary school. At this point they are waiting to see the impact of the new bridge over the river.

Mr. Umbaugh said they have structured this issue to have a level debt service and have no capitalized interest so he has no problem with this project.

Mr. Besinger asked why they did not address the mold issue at the high school when it came about. The Superintendent said there was a time period when the school was closed to address the mold. There are tunnels under the building with standing water. There is no way to completely eliminate the mold. When entering the building a musty smell is evident. Mr. Besinger said mold is usually due to a lack of fresh air. Mr. Kovert said the mold is one component, but there are several areas that have problems. The facility was built as a K-12 building. The roof would need to be replaced. The cost of renovation was about 96% of the cost of building a new facility. A portion of the building was built in 1976 and can be renovated in the future, but the 1951 portion will need to be demolished.

Mr. Bronnert said ISTEP scores have increased 45% to 55%, but they are still below the state average. The graduation rate is not good either and they have a lot of teachers and administrators. Mr. Bronnert asked them to explain what they are doing to address these issues. The Superintendent said understanding the demographics of the area is important. The area has traditionally been very rural. They started full day kindergartner three years ago and are paying

for it out of the general fund. The efforts they are making now are paying off. Because of budget constraints they have lost several teachers and administrators this year.

Motion: Mr. Umbaugh made a motion to approve a lease rental agreement with maximum annual payments of \$8,374,000 for 22 years. Dr. Seger seconded the motion, which favorably carried 7-2. Mr. Barrow and Mr. Besinger cast the dissenting votes.

East Porter County School Corporation, Porter County: Officials request approval of a lease rental agreement with maximum annual payments of \$1,685,000 for a term of 24 years. Total project costs are \$20,500,000. The tax rate impact is \$0.2020 with a new facility rate impact of \$0.0300 expected. The common construction wage scale was approved with the Governor's Representative abstaining from the vote. There was no application for a petition and remonstrance process. The addition to Morgan Twp School is 22.02% below the DLGF total project cost per square foot baseline. The addition to Kouts School is 6.15% below the DLGF total project cost per square foot baseline.

Present for the hearing was Rod Gardin, Superintendent; Jean Gesse, Board President; Lynn Kwilas, Business Manager; Tim Bucher and Karen Higbie, Board Members; Joseph Sparks and Brad Skillman, The Skillman Corp.; Lloyd Condon, Fanning Howey Associates; Colette Irwin-Knott and Geoff Gifford, Umbaugh and Thomas Peterson, Ice Miller.

Project: The project at Morgan Township School includes nine new elementary classrooms to allow housing the current and expected elementary enrollments using a ten year planning horizon. This would allow the current use of middle school space by the elementary classes to be discontinued and allow the high school classrooms that are currently being used by middle school students to be available for high school use. Also in the elementary area is contained a large group instruction room that is configured so that it can also be used for two classrooms in the future if necessary. The arrangement of this elementary expansion allows the potential for future additions beyond the ten year horizon if that should be necessary in the future. The elementary school administration area and health suite have been relocated to provide better access to the elementary classrooms and clear connection to the elementary school student drop off area.

Two new middle school classrooms are proposed and two new middle school classrooms are created by renovation the existing administration area now used by the elementary school. This allows the current middle school curriculum to be implemented fully for the ten year planning horizon. The increased enrollment in the building now and in the future has had and will have major impact on the existing lunch facilities. Currently the lunches begin at 10:30 a.m. and continue well into the afternoon. The existing health suite is being demolished so the dining and kitchen facilities can be expanded to allow a separate seating area for elementary and high school/middle school students, increased serving lines, and allow the possibility of only three seatings in the future. Site improvements are limited to support of the goals mentioned above, a clear definition of the main entrance for parent drop off, a segregation of bud drop off lot, and the ability of the bus lot to do double duty as a hard surface play area for the elementary students

when the ground is wet. As at all sites, some technology, particularly wiring for the new additions and some infrastructure upgrades, are included.

At the Kouts School site, because of elementary and middle school enrollment growth, seven new elementary classrooms are planned. In addition, a large group instruction space that could be configured as two classrooms in the future is included. Because of the increased enrollment at this building, the existing dining space is being used from the middle of the morning through mid-afternoon for lunch periods. After considerable evaluation it was determined that the best approach given the limitations on the existing site was the convert an existing 1937 all purpose room to a dining space. As this is a high volume space, a second floor would be constructed inside that existing space that will allow large group instruction space for the high school/middle school area now and it would also provide for a future platform for classrooms should that be needed through enrollment growth beyond the anticipated ten year enrollment horizon. The existing all purpose room is currently used as an elementary and middle school instructional physical education space, consequently that space is being replaced with a new physical education space with two teaching stations with a divider between. In addition, four existing restrooms in the 1937 portion of the building will be renovated to current ADA and State Board of Health standards. Site improvements are required because the building expansions will impact the current drive arrangement. A bus parking area and the relocation of the existing softball field are anticipated.

The project at Washington Township School is limited to replacement of a seamless floor in an athletic physical space. This floor has exceeded its expected life. In addition, there is a creation of a bus parking area that will allow the bus drivers who do not have the ability to park a bus at their residences a place to leave them and to park their car while driving the school bus. Again, there are limited technology infrastructure improvements which are planned at this site.

Comments: Rod Gardin, Superintendent, said East Porter is a consolidated school district. Before consolidation in 1995 they were a three township system. Presently they have 2,027 students. In the past two years they have seen an increase of 210 students, or about 10%. They are a three campus school corporation and the largest in area by covering 133 square miles. Two demographic studies were done in the fall of 2006. A capacity study was also completed and revealed two of the three elementary schools were out of space. Classrooms have already been displaced to make room for growing elementary populations. A large group of people provided input. Some examples of communication with the community have been provided. There was no remonstrance. The scope was originally \$25 million, but it was scaled back to the current \$20.5 million. Seven different options were considered, as outlined in Appendix C. Besides the costs associated with consolidating the three campuses, it does not make sense because the schools are designated four star schools. They are also designated best buy schools and are in the top five in the state in terms of academic performance. They have a 2.2% suspension rate, 96.8% attendance rate, and a 93% graduation rate. The scope of this project is conservative to reduce taxpayer impact.

Mr. Mills asked if they do any cross transportation at the high school level for special programs. The Superintendent responded no.

Mr. Bowen asked about the \$500,000 expense in the Washington Township project description. The Superintendent said all of these projects contain a site work expense that deals with safety issues and moving traffic around. Mr. Bowen asked what percent of the \$500,000 is for site work. The Superintendent responded about 80%.

Mr. Mills asked what their last debt was used for. The Superintendent said it was used to build the middle/high school building and also do a renovation and/or addition to every building in the district.

Motion: Mr. Umbaugh made a motion to approve a lease rental agreement with maximum annual payments of \$1,685,000 for 24 years. Ms. Hineline seconded the motion, which favorably carried 9-0.

New Albany-Floyd County Consolidated School Corporation, Floyd County: Officials request approval of a lease rental agreement with maximum annual payments of \$5,090,000 for a term of 25 years. Total project costs are \$59,900,000. The tax rate impact is \$0.1282 with a new facility rate impact of \$0.0100 expected. The common construction wage scale was approved with the Governor's Representative abstaining from the vote. There was no application for a petition and remonstrance process. The addition to Floyd Central High School is 28.93% below the DLGF total project cost per square foot baseline. The addition to New Albany High School is 44.69% below the DLGF total project cost per square foot baseline.

Present for the hearing was Dennis Brooks, Superintendent; Brad Snider, Deputy Superintendent; Karl Sturbaum, Bose McKinney & Evans; Steve Meno, Fifth Third Securities; John Marsh, Principal; Fred McWhorter, Director of Business; Don Sakel and Rebecca Gordenour, Board Members and George Link and Jim Lusk, Verkler Inc.

Project: The addition/renovation project at Floyd Central is phase three of a multi-phase building plan to bring all of the educational facilities of New Albany-Floyd County Schools up to current standards while providing space for programs that have outgrown their current space and accommodate population growth at the facilities. Until 2005, Floyd Central operated as a Jr./Sr. High School. It was originally constructed in 1968 and 1972. This project includes a complete renovation of the academic areas to join junior/senior high areas together and increase classroom size from a 740 square foot average to a 900+ square foot average. Seven additional science labs are being created within the building to meet academic requirements. Additions of computer labs are being established to allow the use of technology in the day-to-day instruction of students. A new administration addition is being built to allow for much needed space for counselors and administrators. The addition will bring the administration to the front door to provide a secure entry point to the school. Additions of classrooms, band, and orchestra areas allow for spaces that have either outgrown their current spaces or provide adequately sized classroom space to meet current standards. The kitchen and cafeteria are being relocated to provide modern, day lit, adequately sized areas to meet the student population needs. In addition, programs like Industrial Technology Education spaces have been relocated and reconfigured to meet the needs of today's curriculum. Existing physical education spaces are being reconfigured to meet the growing number of programs adopted under the corporation's

wellness plan, providing a greater utilization of existing spaces. The addition, totaling 83,060 square feet includes administration, classrooms, band and orchestra space, and a planetarium for science. The additions are two stories to conserve open space on the site.

Renovations of the existing 411,339 square feet provide additional science spaces, adequately sized classrooms, additional computer labs, adequate cafeteria and kitchen, and reconfiguration of physical education facilities to meet additional program requirements. These facilities, once completed, will accommodate a projected population of 2,000 students. Included in the renovations are new mechanical systems, electrical systems and technology infrastructure.

This project also includes work at New Albany High School consisting of an addition of a weight room/cardio room for the physical education program totaling 6,000 square feet and an addition for outdoor storage and toilet rooms for the tennis program totaling 1,500 square feet. This portion of the project will have a hard construction cost of \$1,000,000.

Comments: Dennis Brooks, Superintendent, said there has been huge community support for this project. Mr. Snyder has been involved in most of the construction projects over the last fourteen years. Mr. Snyder, Deputy Superintendent, submitted updated 2007 AV figures which change the gross tax impact of this project to \$0.12. Once upon a time the schools were organized as K-6, 7-9, and 10-12. In 1992 they decided to work on changing these configurations to more conventional configurations. This project involves renovating the high school to a 9-12 facility and remodeling two of the middle schools and building one new middle school. Phase One was for \$59.9 million and was primarily for New Albany High School. This project will mainly focus on Floyd Central High School. Floyd Central is a forty year old facility. Classrooms are very small and the systems are aging. Spaces will be reconfigured to address safety issues. There was no remonstrance against this project. Two elementary schools were built a few years ago and those projects should pay out in 2010, which coincides when they will begin their full load debt service payments. Construction costs are below the thresholds.

Mr. Umbaugh asked what the total amount of capitalized interest is. They said the gross amount is \$6,888,500. The hearing information sheet shows the net amount. They plan to sell bonds this year so interim payments will begin in July of 2008. Mr. Umbaugh asked them to show all items separately in the future.

Mr. Bronnert asked what they are doing to help with graduation rates and ISTEP scores. The Superintendent said they have a very strong student improvement plan. In that plan they start with the preschool and kindergarten level. The board closed an older school, remodeled it, and reopened it as a preschool through third grade building that uses best practices. They looked at building a freshman academy, but have not done so yet. They develop assessment schedules early in the school year. There is strong parent support in the community. They know they are losing African American males and Caucasian special needs students. They have been using team teaching with special education students which seems to be working.

Mr. Besinger asked if they could clarify the amount they will be spending on administration furniture because one form shows \$60,000, another shows \$64,000, and they also show \$200,000 for office equipment. Mr. Snyder said 411,000 square feet of existing space will be remodeled

and that has a \$60,000 budget for new furniture. The new construction is 83,060 square feet and has a \$64,000 budget. A large component of the new construction is administrative offices. The offices will be brought from the center of the building to the front with the new construction. Mr. Besinger asked what they are buying for \$124,000. They said there are sixteen offices that need to be outfitted. The equipment will be in the office area but it will be for the entire school. There will be a nursing station and guidance offices.

Motion: Dr. Seger made a motion to approve a lease rental agreement with maximum annual payments of \$5,090,000 for 25 years. Ms. Hineline seconded the motion, which favorably carried 9-0.

Indianapolis Public Schools, Marion County: Officials request approval of a lease rental agreement with maximum annual payments of \$38,276,000 for a term of 33 years. Total project costs are \$475,000,000. The tax rate impact is \$0.3601 with no new facility appeal expected. The common construction wage scale was approved with the Governor's Representative abstaining from the vote. There was no application for a petition and remonstrance process. The addition projects are all below the DLGF's 2007 cost thresholds. The new Hazel Hart Hendricks Elementary School is 4.48% below the DLGF total project cost per square foot baseline. The new Ralph Waldo Emerson Elementary School is 5.29% above the DLGF total project cost per square foot baseline. The new Harriet Beecher Stowe Elementary School is 0.95% above the DLGF total project cost per square foot baseline. The new Minnie Hartmann Elementary School is 1.62% above the DLGF total project cost per square foot baseline. The new Francis Scott Key Elementary School is 3.83% below the DLGF total project cost per square foot baseline.

Present for the hearing was Dr. Eugene White, Superintendent; Gabriel Bender, Baker & Daniels; Colette Irwin-Knott, Umbaugh and Wayne Schmidt and Debra Kunce, Schmidt Associates, Inc.

Project: See attachment.

Comments: Dr. Eugene White, Superintendent, said they are aware this project is unlike any other that has come before the board. The project is large in terms of dollar amount, but will also touch a large number of schools in a large district. This is part of a comprehensive building study that originated in 2001 and evolved into a plan to renovate every building over a decade. The plan was approved by their constituents in 2001. Out of consideration to taxpayers the Capital Improvement Program was divided into three phases. Phase one of the plan was presented to the School Property Tax Control Board in 2002 and phase two was presented in 2005. Phase one was for the amount \$250 million and phase two was for \$198 million. Now they are asking for funding for phase three which will be in the amount of \$475 million. This amount will not be put on the tax rate all at once because construction will take five to six years so they anticipate selling \$100 million of bonds each year.

83% of Indianapolis Public Schools students qualify for free and reduced lunch. By percentage they are the second highest qualifying district, but by volume of students in the district they have the largest number of students on free and reduced lunch. 24% of families are below the poverty

line, 56% of students come from single parent households and less than 50% of students live in the same residence they lived in five years ago. Indianapolis Public Schools educates the highest number of limited English students in the state. Part of their strategic plan is to be the best urban school district by 2010. To reach this goal they have established specialized academies and expanded popular magnet programs. An academy for gifted and talented students will be added in 2008-2009. In 2006-2007 they began offering full day kindergarten for all students district wide. They are continuing to fine tune the small school concept in high schools to reduce the number of dropouts. IPS achieved APY in 2006 for the first time ever. For the 2007-2008 school year the school board approved a new dress code for students in kindergarten through 12th grade. Performance is measured by ISTEP scores, but also in 2006-2007 they implemented four and a half week benchmark tests to ascertain if students were learning the state standards.

The plan to improve facilities fits directly into the goal to be the best urban school district by 2010. In 2001 outside consultants were employed to do detailed facility studies, and from that air conditioning emerged as a top priority. Every decision has been based on fulfilling needs for student achievement. Phases one and two added new science labs in the middle schools to meet state standards, four elementary schools were replaced and all high schools were renovated to meet the small school concept and air conditioning was added. During the design process they have embraced innovative solutions. They have worked with Indy Parks, the YMCA, and other community groups to serve the needs of the community to the greatest extent possible. Quality and energy efficient materials have been used to stand the test of time. They are very close to the original schedule for completion. Phase three will finish the task by touching a large number of units.

A yellow ribbon task force was compiled to consider options with phase three. All members of the task force were committed to completing the capital projects program. The biggest question was how much money they should ask for. The yellow ribbon task force recommended adding to the budget to address things they had learned from phase one and two. There was no remonstrance to phase one. There was remonstrance for phase two, but that was soundly defeated. There was no remonstrance against phase three. There is a higher level of support from the Indianapolis Chamber of Commerce and Mayor Peterson for this phase. Phase three contains schools that were lower on the priority list, but they still do not meet modern educational standards. The average project cost in phase three is \$4.3 million. They will add air conditioning to every school that does not have it and will make renovations to bring every school to ADA standards.

An example of an elementary school renovation is School 11. It was built in 1954 and the renovation will cost \$4.2 million dollars. The renovation will add kindergarten classrooms, air conditioning, replace the ceiling and lights and will add security and telecommunication systems. An example of a middle school renovation would be Margaret McFarland. This renovation is budgeted at \$10.7 million. It will add new classrooms, a lunch room, a new media center, air condition and new lighting and ceilings. Arsenal Tech is an oddity because it was touched by all phases.

The total for all projects in phase three will not exceed \$475 million. The demographic study completed in 2001 predicted IPS enrollment was about to stabilize. The 2001 study did not

indicate the need close any schools due to declining enrollment. However, charter schools have had a direct impact on enrollment from 2002-2006. IPS implemented system wide redistricting in 2006. They have closed three school buildings since 2005 and are considering some additional closures. Phase three includes plans to consolidate two elementary schools. Schools that have been remodeled or renovated are not considered for closure.

The IPS capital improvement program is an important component to support the strategic plan to improve student achievement. The community has said they want better facilities for students and have said they are willing to support this project. There are no administrative building repairs or new athletic facilities included in these improvements. Everything is for student achievement. 25,000 students are waiting for facility improvements. Phase three will allow them to provide opportunities to these students.

Mr. Bowen asked what measurements they will use to determine if they have met their goal in 2010. Dr. White said they have set specific benchmarks that come off ISTEP plus scores. They will also have attendance and graduation requirements and would like to show that they have recaptured some students they were losing. Mr. Bowen asked what they mean by “new building to be re-evaluated at an appropriate time.” Dr. White said this is a fluid process because they have been losing about 1,000 students per year so they are going to be very prudent when looking at adding new buildings. Mr. Bowen asked if it is determined to not build a new building will that mean they need to renovate an existing building. Mr. Young said one reason those particular buildings indicate they will be re-evaluated is the historic nature of the buildings. In 2002 they evaluated buildings that could be considered historic. They will have additional discussions before they decide to demolish the buildings.

Mr. Besinger asked why CPF money was not used over the years for these projects so there would not be such a large impact on taxpayers now. Mr. Besinger said they have \$1.7 billion in total debt of which \$733 million is interest. Mr. Black said that because of the desegregation order the school district was in a state of flux from the 1970-1980s and was in litigation for several years so there were many unknowns. They held off on maintenance for several years because of all of the unknowns. When things started to stabilize in the 1990s they began to close buildings. Before the levy was frozen they did a complete remodel of a building every other year. After the levy freeze the majority of the fund had to be used for maintenance, equipment and to help the state fund the desegregation order. Mr. Besinger asked how much education is going to improve as a result of this project. Dr. White said this is a process to change the school culture. In the 2007-2008 school year they are focusing on how you look (dress code), how you behave (20 programs for students who cannot act appropriately in the classroom), and will initiate the E School to educate students at home. The goal is to improve graduation and reclaim people who have dropped out. There are multiple schedules available so students can work half of the day and come to school half of the day. They are trying to eliminate excuses. They cannot do what they have been doing and continue to get the same results. Dr. White has made a commitment to achieve these goals. They expect the 2007-2008 school year to be a revolution.

Mr. Barrow asked how the \$3.2 million renovation as mention in the IBJ is being paid for. Dr. White said the project is being paid for with CPF. Mr. Young said that project was to correct safety issues in the garage, but as they got into it they discovered the supports had also

deteriorated. It was a project that became an emergency for them, but they were able to fund it with CPF.

Mr. Umbaugh said he likes that they spit the issue over five years to minimize taxpayer impact and capitalized interest and wishes they saw more projects structured like this.

Mr. Nemeth asked if they will receive bids in one year. They said they will take bids one year after planning. Mr. Nemeth asked why the lease rental amount is different for each year on the amortization schedule. Ms. Irwin-Knott said that is for trustee fees and annual type items. The trustee fees are shown on page ten. There are annual fees from now until 2033.

Mr. Besinger said several buildings include playgrounds and that bothers him because they are not academic. Dr. White said they have several students who deal with childhood obesity. Giving them a break in their day is academic. Some schools require two playgrounds as a legal matter because full day kindergarteners need to be separated from other students. Giving children time to let off steam compliments academics. Mr. Besinger said most of the kids are sitting around at recess. Dr. White said they put a lot of nice equipment on the playgrounds and younger children are excited to be outside. Recess is different from gym class. Mr. Besinger asked how much money these playground will cost. Dr. White said the cost is about \$60,000 per playground.

Mr. Nemeth said the construction manager fee is much higher than what they normally see and asked who will be the program manager. Dr. White said they decided the best way to go was to have a program manager who would oversee the project until completion and then leave rather than having employees. The program managers have been able to bring their expertise and keep them on schedule and on budget while dealing with sticky issues. They work with the construction managers and it has worked out very well. The expense is high due to the volume of work they are doing they need that expertise. Mr. Nemeth asked who will serve as the program manager and how do they go about hiring for that. Steve said when they began these projects six years ago they looked at increasing their staff to manage the projects versus contracting and decided to contract because the ten to twelve year construction period is a short term of employment for people with this level of expertise. They used a competitive bid process and selected Schmidt and Associates as the program manager. They also have construction managers on each project who are responsible for developing the schedule and budget for each 24-30 month project. The construction manager is the onsite quality control. Mr. Nemeth asked them to explain the \$27 million in moving expenses. They said most of the projects are renovations and as they renovate a building they have to move all of the furnishings out of the area that is being renovated, store it, and then bring it all back when the remodel is completed. All of these schools need to have all of the furnishings removed until the remodel is completed. They felt it was more cost effective to do this as a separate contract rather than include it as part of the general contractors' package. The moving needs to be done quickly to avoid holding up contractors. One challenge they face is all of the buildings are landlocked so the furniture must be taken to a separate location. Mr. Nemeth asked if they use one or multiple companies for this. They said they have multiple companies on contract that they use based on availability. Mr. Nemeth asked them to talk about commissioning. They said commissioning is something they started because each of these projects have HVAC and mechanical upgrades as a major part of

the upgrade. When the projects are completed, while these systems work, they often do not function in an integration fashion. They decided they would use commissioning as a part of each project and it has proven to be very effective. It basically ensures that all of the systems and controls are functioning as intended while holding contractors responsible and makes sure the issues get resolved.

Mr. Mills asked what they are doing with windows to address heat loss. They said they are replacing windows. Most building have not been upgraded at this time. They will be putting in double pane energy efficient windows. Mr. Mills asked what they are doing with the capacity at the high schools. Dr. White said it seems every space they create they fill. They will create New Tech High School in 2007-2008 which will be a project based program. In 2009-2010 Shortridge will be made into a magnet high school for law and public policy. Broad Ripple High School will be converted to become completely a performing arts magnet school.

Motion: Mr. Mills made a motion to approve a lease rental agreement with maximum annual payments of \$38,276,000 for 33 years. Dr. Seger seconded the motion, which favorably carried 7-2. Mr. Barrow and Mr. Besinger cast the dissenting votes.

Mr. Barrow explained his vote by saying with his having insider knowledge of the tax bills that are about to come out and the impact of this project in two or three years approval would cause a taxpayer revolt.

Mr. Besinger said he thinks they have full justification for this project, but out of consideration for taxpayers they should have been addressing these issues with CPF all along.